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say that the conclusions reached are unfavorable to a protective policy. The candor of tone and clearness of thought and statement which characterize this part of the work will probably make it appear, even to protectionist readers, as a new illustration of the faultlessness of the logic of free trade as a permanent international policy.

JOHN B. CLARK.

Die Abgaben, Auflagen und die Steuer, vom Standpunkte der Geschichte und der Sittlichkeit. Von Dr. WILHELM VOCKE, geheimer Oberrechnungsrat. Stuttgart, J. G. Cotta, 1887. — Large 8vo, xxvi, 625 pp.

L'Impôt sur le Revenu: Rapport fait au nom de la Commission du Budget. Par YVES GUYOT. Paris, Guillaumin et C^{ie}, 1887. — 12mo, xii, 347 pp.

So extraordinarily rich has the literature on the science of finance become during the past few years as to call for the publication, in Germany at least, of a separate journal devoted entirely to its interests. The attention of all continental countries has been increasingly directed to the much needed and projected reform of the systems of taxation, and it is to this branch of the science accordingly that the best abilities of the investigators have been devoted. Among the books of the year, the two works here reviewed occupy a commanding position.

Dr. Vocke in *Die Abgaben, Auflagen und die Steuer* treats the subject in a somewhat peculiar way. After having won his spurs over a quarter of a century ago by his *History of English Taxation*, at that time the most meritorious work on the topic, the venerable doctor here attempts to find the moral basis and relative justification of the various taxes. The chief problem which he sets out to solve is that of the exact difference between direct and indirect taxation, and the conclusion to which he comes is at all events novel and suggestive. In an introductory book Vocke traces the literary doctrine of the basis of taxation in general, and divides the authors into three schools: the representatives of the contract or protection doctrine, including most of the earlier English and French works; the group which emphasizes the sovereign nature of the state and the duties of the subject, but without any deeper historical insight; and finally the social-political writers who, like Held, Schäffle and especially Wagner, attribute to the state a compensatory duty in making taxation an engine to remove the inequalities of fortune. Vocke strongly objects to the latter as involving a dangerous socialistic tendency, and asserts that such considerations do not appertain to the science of finance at all. But in none of these schools, nor in the works of the "independent" writers, such as Neumann, Stein or Roscher, does

he find an answer to the great question : What is the ethical basis of direct as compared with indirect taxation ?

An answer is possible only through a study of the historical development. With characteristic German thoroughness, but with what seems unnecessary detail, Vocke begins with a psychological analysis of the individual and traces the evolution of his economic condition and qualities through the family and tribe to the state. In the patriarchal stage, as in the family, the contributions of the individual to the support of the whole are compulsory, universal, and proportional to the ability or property. In the feudal state the contributions of the vassal take the shape of personal services and payments in kind, afterwards converted into money payments. But now begin the customs and duties, the fees and tolls, the excise or evil duty (*malum toltum*), all of which rest primarily upon power, upon the imperious necessities of the over-lord. The legal basis is the presumptive princely prerogative, the *imperium*, in other words naked force. Quite different from these veritable impositions are the taxes proper. Beginning as the *trinoda necessitas*, aids and contributions, they soon develop into poll, property, and finally into profit taxes. These taxes, properly so called, rest on voluntary contributions, not on mere force ; they are universal, not special ; their standard is personal ability, not mere expediency. In the tax there is a moral quality, in the customs and excises there is none.

This is the keynote of Vocke's book. The tax proper in its historical genesis is the direct tax, and connotes certain ethical ideas ; the indirect taxes are properly not taxes at all but imposts, and carry with them no moral appreciation. He makes a careful study of the development of indirect taxation in the next political form, — the absolute monarchy, — and shows very prettily how and why the basis of direct taxation was changed from property to product (*Ertrag*). The remaining two-thirds of the work are devoted to a consideration of taxation in the actual or constitutional state. But the point of view has been won, and the future reform must proceed in the path of elaborating the direct taxes and of curtailing the indirect taxes.

Vocke's book may be termed a study in the philosophy of taxation. It contains no figures, and but few facts. The author's contention as to indirect taxation may be met by the reflection that justice cannot be the sole maxim of taxation. The chief point is to balance the budget, and some taxes which are technically just may be practically unremunerative and therefore unserviceable. But from the standpoint of pure morality Vocke seems to have established his doctrine of indirect taxation, and will serve as a useful antidote to such flimsy and superficial thinkers as McCulloch, who still in great part dominate English views in the science of finance.

M. Guyot in his *L'Impôt sur le Revenu* sets himself a different task. The critics of the French system of taxation have always contended that personal property is exempted to an excessive extent, and the income tax has been repeatedly proposed as a means of curing the defect. M. Guyot was requested by official authority to investigate these propositions for an income or a general property tax, and furnishes in this report a noteworthy addition to the studies made quite recently by Menier, Denis, and Chailley on the same general subject. The report is one rather of description than of analysis, and the various parts are of quite unequal value. The description of the English income tax is neither detailed nor satisfactory, in so far as the exact methods of administration are concerned. Attention is called to the familiar fact that the English system is not a tax on income, but on incomes, and that with the exception of schedule D (income from commercial pursuits *etc.*) it may well be compared with the *contribution foncière* and *personnelle et mobilière* of France. The description of American taxation is absurdly inadequate, and Germany does not fare much better. On the other hand the working of the great Italian law of 1877 on income of movable property is fully explained, and a peculiarly valuable chapter is devoted to the income and property taxes of the Swiss cantons.

M. Guyot is not a partisan of the income tax; he advances the common argument of the inquisitorial character of the tax, and discusses very superficially the questions of progression and degression *versus* proportionality. The history of the various projects from 1848 onward, however, is well written and interesting. Guyot, like Vocke, thinks that France committed a grave mistake after the Prussian war in increasing the indirect rather than the direct taxes. He leans toward a general property tax, like that advocated by Menier; but in discussing the objection that the valuation is attended with great difficulties, he says: "*La pratique des États-Unis et de la Suisse répond encore à cette objection.*" I fear that this rosy view is caused by an entire ignorance of American methods and results. It shows the extreme danger of general analogies, and tends to make one sceptical as to M. Guyot's other propositions.

The practical outcome of the report is a proposal to reform the property taxes. According to the French parlance, a difference is made between *l'impôt de répartition* and *l'impôt de quotité*. In the former the law fixes the total sum to be raised, and divides (*répartit*) it among the departments, each of which again apportions it among the communes. The commune then apportions its share among the individuals. In the latter, the proportion of each taxpayer is rated at a fixed percentage (*quotité*), and no minor subdivisions take place. The land tax as imposed in 1790 is one of *répartition*. As a consequence, already in 1821 the division between the departments and communes was so unequal

that in some cases the tax amounted to one-sixth, in others to one-seventeenth of the rent or income. A general valuation or *cadastre* was begun in 1808 but not finished until 1851, and in the mean time the valuation has again greatly changed, so that at present the amount of tax paid varies from one to twenty per cent of the rent. As a sole escape from this crying inequality Guyot demands a conversion of the land tax into an *impôt de quotité*, in order that each plot may bear its proportionate burden. He would moreover have the tax levied on the capital value rather than on the rent or annual value. A similar reform is suggested for the tax on personal property (*la contribution personnelle et mobilière*) which since 1832 has been one of *répartition*. These changes, together with an abolition of the duties on the transfer of land, amounting at present to ten per cent of the value, would in Guyot's opinion result in a far more equable and remunerative fiscal system and would serve as an introduction to still greater and more important reforms. The student of comparative taxation will find in the volume many useful hints.

EDWIN R. A. SELIGMAN.

Lehrbuch der Nationalökonomie. Von Dr. LORENZ VON STEIN.
Dritte umgearbeitete Auflage. Manz'sche Buchhandlung, Wien, 1887.
— 457 pp.

The object of the learned author of this work, which now appears in a third edition, has been to develop the science of pure economics out of the conceptions of nature and personality, and to show the relation which it bears to the broader realms of sociology and the science of administration. He holds that law is developed out of economic conditions, and that these conditions are fundamental and lie at the basis of all legal as well as social changes. This work therefore is a fitting introduction to the author's great system of administrative law. With characteristic logical exactness, he would confine economics to the consideration of the phenomena of competition, holding fast to the results arrived at by the best writers of the English school; while he would treat of the modifications and restraints which must be introduced by the state, in order to secure the highest well-being of the individual and of society, under administrative law.

This book, like all which its author has published, is full of large views and rich thoughts, but it is made needlessly difficult by a philosophic nomenclature and form of treatment characteristic of the Hegelian school. Indeed the writer frankly admits, after laboring through nearly one hundred pages in the effort to construct a philosophic basis for his work, that it may all be discarded if the reader will but retain the idea of personality. Still the broad conceptions of human nature, of labor,